

10 December 2018

Dear Optionholder

Notification of pro-rata non-renounceable entitlement issue

Medibio Limited (**Company**) has announced to ASX Limited (**ASX**) a pro-rata non-renounceable entitlement offer on the basis of one (1) fully paid ordinary share for every 1 ordinary share held by Shareholders registered at 7.00 pm (AEDT) on 13 December 2018 at an issue price of \$0.02 (2 cents) (**Entitlement Offer**).

The Entitlement Offer seeks to raise approximately \$4.05 million.

The options held by you do not give you an entitlement to participate in the Entitlement Offer. However, should you exercise your options prior to the record date for determining entitlements to the Entitlement Offer, the shares issued to you on the exercise of options will give you an entitlement to participate in the Entitlement Offer provided that your registered address is in Australia, New Zealand or Hong Kong.

If you wish to participate in the Entitlement Offer, you will need to exercise your options at least 2 days prior to 13 December 2018 (**Record Date**) in accordance with their terms.

Pursuant to section 708AA of the *Corporations Act 2001*, the Company is not required, and consequently, will not issue a prospectus or other disclosure document for the Entitlement Offer.

However, an Offer document will be lodged with ASX and will be available on the ASX website at www.asx.com.au in respect of the Entitlement Offer. The offer document will be dispatched to shareholders of the Company registered on the share register on the Record Date on 18 December 2018 and who have their registered address in Australia, New Zealand or Hong Kong.

Should you have any queries in relation to this matter, please do not hesitate to contact the Company on +61 3 9692 7222.

Yours faithfully



Christopher Indermaur

Chairman, Medibio Limited